

House File 366 - Introduced

HOUSE FILE 366

BY GUSTOFF

A BILL FOR

1 An Act providing sales and use tax refunds on the sales
2 price of school supplies purchased by home-school
3 parents, providing for the exclusion of such refunds from
4 the individual income tax, and including retroactive
5 applicability provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code 2023, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 44. Subtract, to the extent included,
4 the amount of a sales or use tax refund provided pursuant to
5 section 423.4, subsection 12.

6 Sec. 2. Section 423.4, Code 2023, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 12. *a.* For purposes of this subsection:

9 (1) "*Home-school parent*" means the parent, guardian, or
10 legal custodian of a child of compulsory attendance age who
11 provides competent private instruction to the child, or the
12 parent, guardian, or legal custodian of a child of compulsory
13 attendance age who provides independent private instruction to
14 the child as the child's primary instructor.

15 (2) "*School supplies*" means textbooks, software, paper,
16 notebooks, pencils, pens, art supplies, material for a
17 course of study specific to a subject matter or grade level,
18 standardized test fees, advanced placement examinations
19 or examinations related to postsecondary education or
20 credentialing, and education materials and services for pupils
21 with disabilities from an accredited provider, including the
22 cost of paraprofessionals and assistants who are trained in
23 accordance with state law.

24 *b.* A home-school parent may apply to the department for
25 a refund of the amount of sales or use tax imposed and paid
26 upon sales to the home-school parent of school supplies used to
27 provide instruction under chapter 299A.

28 *c.* A refund may be obtained in the following manner and
29 under the following conditions:

30 (1) On a form furnished by the department, and filed within
31 the time as the department shall provide by rule.

32 (2) The home-school parent provides information as deemed
33 necessary by the department.

34 Sec. 3. RETROACTIVE APPLICABILITY. The following applies
35 retroactively to January 1, 2023, for tax years beginning on

1 or after that date:

2 The section of this Act amending section 422.7.

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with
5 the explanation's substance by the members of the general assembly.

6 This bill provides for a sales and use tax refund on the
7 sales price of school supplies purchased by a home-school
8 parent, and provides for the exclusion of such refunds from the
9 individual income tax.

10 The bill provides that a home-school parent may apply to the
11 department of revenue (DOR) for such a refund on the purchase
12 of school supplies used to provide instruction under Code
13 chapter 299A (private instruction).

14 Under the bill, the refunds shall be obtained on a form
15 furnished by DOR, and filed within the time specified by DOR by
16 rule. The bill requires the home-school parent to provide any
17 other information deemed necessary by DOR.

18 The bill defines "home-school parent" and "school supplies".

19 The bill also excludes the amount of any refund received by a
20 home-school parent from the individual income tax.

21 The provision excluding from the individual income tax
22 any sales and use tax refund received under the bill applies
23 retroactively to tax years beginning on or after January 1,
24 2023.